

27 March 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Negotiations with [REDACTED]

1. [REDACTED] called me at 1600 hours to tell me the status of the negotiations thus far with [REDACTED]. There is need for a decision. [REDACTED] is willing to guarantee 800 lines per millimeter at 200X. This is about what Dr. [REDACTED] estimated after his evaluation of the optical train design. This is below specifications. [REDACTED] feels that it is acceptable but will demand at least 900 lines per millimeter at 200X and an incentive fee of around [REDACTED] to accomplish it. This is the point decision needed.

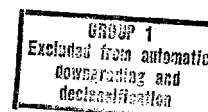
2. Current negotiations on the contract are being discussed on a fixed price incentive contract in order to obtain certain protective measures. This means the more efficient the contractor is, the more he gets of this incentive fee.

3. [REDACTED] has not considered an alternative to the use of [REDACTED] but they estimate that the minimum acceptable contract would cost an additional [REDACTED] and an additional 14 months. It is the opinion of the negotiating team that there is no real alternative to the use of [REDACTED] they believe [REDACTED] would not accept the contract with any other subcontractor.

4. This information was reported to [REDACTED] [REDACTED] had just received a phone call from [REDACTED] informing him of essentially the same information that I received, with the exception of the rather disastrous effect that an alternative to [REDACTED] would bring. [REDACTED] stated he believed we would be able to instruct the negotiating team to consider only [REDACTED] therefore, the only real issue now at stake is the lower resolution figure than initially desired. [REDACTED] believes the team should be called back in any case to consider the effects of the lower resolution figure, and [REDACTED] believes this also. [REDACTED] told me to call [REDACTED] and alert him to: (a) the fact that they may be called back for further instructions, and (b) that it is very probable that [REDACTED] will be the only subcontractor who will be involved in the contract.

5. I called [REDACTED] and informed him of the above information. His only comment was that if they go with [REDACTED] there is no need to be called back. However, he would obey the instructions of the negotiating team chief.

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25X1

25X1 6. [REDACTED] desires [REDACTED] to meet tomorrow and recommend procedures to be taken involving:

(a) Is 800 lines at 200X good enough for future materials;

[REDACTED]

25X1 (b) Explain in simple terms the meaning of resolution at magnification for [REDACTED] and others, and explain what this means in terms of the use of the High Precision Stereo Comparator.

(c) Will there be any beneficial effects of bringing the team back at this time before end of negotiations?

25X1 (d) What will be [REDACTED] instructions to the technical member of the negotiating team.

25X1 7. [REDACTED] is on a tie-in number at [REDACTED] commencing 1200 tomorrow.
25X1 Direct dial number is [REDACTED]

25X1

25X1

25X1 NPIC/TSSG, [REDACTED] (27 Mar 68)

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